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ATTORNEYS FOR BRIAN A. GLASSER, AS TRUSTEE
OF THE YELLOWSTONE CLUB LIQUIDATING TRUST

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MONTANA

In re:

YELLOWSTONE MOUNTAIN
CLUB, LLC, *et al.*,

Debtors.

Case No. CV 15-40-BU-SEH

BRIAN A. GLASSER, AS TRUSTEE
OF THE YELLOWSTONE CLUB
LIQUIDATING TRUST,

Plaintiff,

Case No. 08-61570-11
Jointly Administered with Case Nos.
08-61571, 08-61572, and 08-61573

V.

Adversary No. 10-00015

DESERT RANCH LLLP, DESERT
RANCH MANAGEMENT LLC,
TIMOTHY BLIXSETH, BEAU
BLIXSETH, THORNTON BYRON
LLP, GEORGE MACK, JOHN DOES
1-100, and XYZ CORPS. 1-100,

Defendants.

**NOTICE REGARDING MOTION
FOR ENTRY OF A
STIPULATED ORDER
MODIFYING PRELIMINARY
INJUNCTION**

Brian A. Glasser, as the Trustee of the Yellowstone Club Liquidating Trust (the “Trust”), hereby provides the following Notice in response to the conference call among counsel and the Court that occurred on Wednesday, January 3, 2018. Following the conference call, the parties conferred and have agreed that the Trust will file an Amended Motion to Modify the Preliminary Injunction entered in this case. To provide context, the Amended Motion will include briefing that, in addition to detailing the terms of the settlement agreement between the Trust and the Blixseth parties, more thoroughly explains how this Amended Motion relates to the broader settlement agreement, including the parties to be released, the consideration for these releases, the Trust’s rationale for entering into this settlement agreement, and safeguards given by the Blixseth parties in the event that future assets are discovered. The parties to the settlement agreement considered some of this information to be confidential, but – following the conference call with the Court – the parties have agreed to work to ensure full disclosure of these items to the Court despite their confidentiality.

In very general terms, the settlement agreement includes provisions that address the following:

- Parties to the Settlement Agreement: The Trust and Timothy Blixseth.

- Released Parties: Subject to the terms and conditions of the settlement agreement, the Trust is releasing Timothy Blixseth, Beau Blixseth, Desert Ranch Management, LLC and certain other identified Blixseth-related parties from all claims.
- Disposition of this case: Separately, the Trust will seek dismissal of the claims in this case as to Defendants Timothy Blixseth, Beau Blixseth, and Desert Ranch Management, LLC. The claims against Defendant Desert Ranch, LLLP in this case have been reduced to judgment and will be enforced through that entity's bankruptcy case, which is pending in California. The Trust's claims against Defendant George Mack were previously dismissed. The Trust's claims against Defendant Thornton Byron, LLP are not affected by the parties' settlement agreement and should proceed to trial in this matter as the only remaining claims.
- Consideration: The Trust has agreed to accept the sum of \$3,000,000 as the sole monetary payment in satisfaction of the claims (in this case and in other cases) against Timothy Blixseth and certain other Blixseth-related parties. The Trust understands that this payment will be made by a third party, in exchange for Timothy Blixseth's transfer of all litigation claims he has against third parties.

- The Preliminary Injunction: Timothy Blixseth cannot sell the litigation claims and, thus, cannot fund this settlement without modification of the preliminary injunction entered in this case. That injunction prevents Timothy Blixseth from alienating any assets in excess of \$5,000.
- Other recoveries: The Trust has received other recoveries related to the conduct of Timothy Blixseth, within the purview of the Trust's duties. These include settlements with George Mack (Timothy Blixseth's former accountant) and Jessica Blixseth (Timothy Blixseth's former spouse). The settlement agreement also preserves certain claims the Trust has against certain other Blixseth-related parties.
- Blixseth's Assurances and Recourse: The settlement agreement is premised, in large part, on the Trust's belief that it cannot attach its judgments to any other significant assets owned by Tim Blixseth. This belief is formed after years of investigation, and on Tim Blixseth's representations that he has no further assets. The settlement agreement hedges against the possibility that Blixseth has further, undisclosed assets by keeping certain judgments in place for a period of time and by permitting the Trust to execute its judgments

against newly discovered assets of Tim Blixseth, under certain circumstances.

This is a summary of the terms of the settlement agreement. The Trust will file its Amended Motion no later than January 12, 2018, in order to more clearly articulate the substance and rationale of the parties' settlement agreement.

DATED this 5th day of January, 2018.

/s/ Shane P. Coleman

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